City of Santa Fe, New Mexico

DATE: July 17, 2020

TO: Public Works Committee

Finance Committee Governing Body

VIA:

John P. Muñoz, Parks & Recreation Department Director

FROM: Jennifer Romero, MRC Manager

RE: Request approval of Greens Fee/Golf Cart Fee Rate Implementation – Effective

August 1, 2020

SUMMARY:

Effective August 1, 2020, per the recommendation of the Marty Sanchez Links de Santa Fe (MSLDSF) Advisory Board, a Sub-committee of Parks and Recreation Advisory Committee (PARC), requests your approval to implement a greens fee & golf cart fee rate increase as follows:

		NM			Out of			
	NM	Resident			State			
	Resident	Proposed	Increase		Current	Proposed	Increase	Increase
Fee Туре	Current Fee	Fee	Amount	Increase %	Rate	Rate	Amount	%
18 hole walking	\$30.00	\$32.00	\$2.00	6.67	\$35.00	\$40.00	\$5.00	14.29
18 hole with cart	\$48.00	\$50.00	\$2.00	4.17	\$53.00	\$55.00	\$2.00	3.77
18 hole senior walking	\$25.00	\$27.00	\$2.00	8.00	\$28.00	\$30.00	\$2.00	7.14
18 hole senior with cart	\$36.00	\$38.00	\$2.00	5.56	\$42.00	\$44.00	\$2.00	4.76
9 hole walking	\$23.00	\$25.00	\$2.00	8.70	\$28.00	\$30.00	\$2.00	7.14
9 hole with cart	\$34.00	\$37.00	\$3.00	8.82	\$40.00	\$42.00	\$2.00	5.00
9 hole senior walking	\$20.00	\$22.00	\$2.00	10.00	\$25.00	\$27.00	\$2.00	8.00
9 hole senior with cart	\$28.00	\$30.00	\$2.00	7.14	\$32.00	\$34.00	\$2.00	6.25
G-28 walking	\$16.00	\$17.00	\$1.00	6.25	\$22.00	\$23.00	\$1.00	4.55
G-28 senior walking	\$13.00	\$14.00	\$1.00	7.69	\$20.00	\$21.00	\$1.00	5.00
18 hole junior walking	\$14.00	\$15.00	\$1.00	7.14	\$14.00	\$15.00	\$1.00	7.14
9 hole junior walking	\$10.00	\$11.00	\$1.00	10.00	\$10.00	\$11.00	\$1.00	10.00
G-28 junior walking	\$9.00	\$10.00	\$1.00	11.11	\$9.00	\$10.00	\$1.00	11.11
Weekday tournament (Tuesday-Thursday)	\$44.00	\$46.00	\$2.00	4.55	\$44.00	\$46.00	\$2.00	4.55
Weekend tournament (Friday-Monday)	\$46.00	\$48.00	\$2.00	4.35	\$46.00	\$48.00	\$2.00	4.35
5 round volume discount	\$135.00	\$150.00	\$15.00	11.11	\$165.00	\$190.00	\$25.00	15.15
10 round volume discount	\$250.00	\$280.00	\$30.00	12.00	\$300.00	\$360.00	\$60.00	20.00
20 round volume discount	\$460.00	\$520.00	\$60.00	13.04	\$560.00	\$700.00	\$140.00	25.00
30 round volume discount	\$630.00	\$750.00	\$120.00	19.05	\$780.00	\$990.00	\$210.00	26.92
Cart Fee for 18 holes	\$18.00	\$20.00	\$2.00	11.11	\$18.00	\$20.00	\$2.00	11.11
Cart Fee for 9 holes	\$11.00	\$12.00	\$1.00	9.09	\$11.00	\$12.00	\$1.00	9.09

Currently, our rates are significantly lower than our competitors. A Golf Course Competitor Rate Comparison spreadsheet is attached for review; reference Exhibit B. As a result of the impacts of COVID-19, in an effort to offset the overall maintenance expense and cost of reclaimed water infrastructure, and to increase revenue generated by the MRC, we request your review and approval of the proposed greens fee rate and golf cart rate increase; reference Exhibit A, FY20/21 Proposed Rate Increase spreadsheet.

Initially, we completed a 3-year average of rounds/revenue generated. However, because we transitioned point of sale systems from Jonas to Teensap in 2018, the "Fee Type" rates outlined could not be broken out. As a result, 2019 rounds and cart sale, were used to make projections.

If rounds and cart sales remain the same as 2019, we project to generate \$1,547,340 in revenue (an increase of: \$232,332.85. However, given COVID-19, a more realistic increase is projected to be approximately \$116,166; if rounds increase by 3%, we project an increase of \$211,384 in revenue and if rounds decrease by 3%, we project a decrease in revenue of \$41,186.

A 3% increase or decrease is used as an example because it is within a realistic possibility of growth or downturn. The 3% column shown on Exhibit A is calculated by taking the rounds in 2019 and increasing them by 3% them multiplying that number by the proposed new rate for the particular round profile.

Given the COVID-19 circumstances, the MSL Golf Course Advisory Sub-committee, and Parks & Recreation Commission (PARC) were unable have a recorded meeting. As a result, we are requesting that the proposal be submitted as part of the revenue generating ideas for the new fiscal year 20/21 budget.

New Mexico Golf Limited (NMGL), the Pro-shop contractor is in agreement with this request.

ACTION RECOMMENDED:

We kindly request your review and approval of the rate increase and forwarding to the Finance Committee and Governing Body Committee for review and approval.

Attachments: Exhibit A: FY20/21 Proposed Rate Increase spreadsheet

Exhibit B: Golf Course Competitor Rate Comparison Spreadsheet

Legislative Request Form

FIR Template

Cc: MRC File

Julio "Alo" Broadsky, Head Golf Professional

Jesse Guillen, Legislative Liaison

1	CITY OF SANTA FE, NEW MEXICO
2	BILL NO. 2020
3	
4	
5	Councilor Signe I. Lindell
6	Councilor Joanne Vigil Coppler
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8	
9	
10	AN ORDINANCE
11	AMENDING SECTION 23-7.4 RELATING TO GOLF RATES AT THE MRC.
12	
13	BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:
14	Section 1. Subsection 23-7.4 SFCC 1987 (being Ord. No. 2013-26) is amended
15	to read:
16	23-7.4 MRC Golf Rates.
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A.

Туре	NM Resident Rate	Out of State Rate
18 hole walking	[\$30] <u>\$35</u>	[\$ 35] <u>\$40</u>
18 hole with cart	[\$48] \$50	[\$53] \$55
18 hole senior walking	[\$25] <u>\$27</u>	[\$28] \$30
18 hole senior with cart	[\$36] \$38	[\$42] \$44
9 hole walking	[\$23] \$25	[\$28] <u>\$27</u>
9 hole with cart	[\$34] \$37	[\$40] \$42
9 hole senior walking	[\$20] <u>\$22</u>	[\$25] <u>\$27</u>
9 hole senior with cart	[\$28] \$30	[\$32] \$34
G-28 walking	[\$16] <u>\$17</u>	[\$22] \$23
G-28 with cart	[\$27] \$28	[\$32] \$33
G-28 senior walking	[\$13] \$14	[\$20] <u>\$21</u>
G-28 senior with cart	[\$20] \$23	[\$26] <u>\$29</u>
18 hole junior walking	[\$14] \$15	[\$14] \$15
9 hole junior walking	[\$10] <u>\$11</u>	[\$10] \$11
G-28 junior walking	[\$9] <u>\$10</u>	[\$9] <u>\$10</u>
Weekday tournament (Tuesday- Thursday)	[\$44] <u>\$46</u>	[\$44] <u>\$46</u>
Weekend tournament (Friday- Monday	[\$46] \$48	[\$46] <u>\$48</u>
5 round volume discount	[\$135] <u>\$150</u>	[\$165] <u>\$190</u>
10 round volume discount	[\$250] <u>\$280</u>	[\$300] <u>\$360</u>
20 round volume discount	[\$460] <u>\$520</u>	[\$560] <u>\$700</u>
30 round volume discount	[\$630] <u>\$750</u>	[\$780] <u>\$990</u>

В.	Hometown Hero Rate. All active military and retired military, city and county
law enforceme	ent officers, city and county fire department members, and corrections officers
working within	a Santa Fe County may receive the senior rate as noted in subsection A above
Players seeking	g the senior rate must show military or law enforcement ID. The hometown here
rate is only val	id Monday-Friday after 10 a.m. and Saturday-Sunday after 1 p.m.

- C. In order to maximize revenues, be competitive with area golf courses, and respond to market conditions, the city manager may, upon review by the city finance director, authorize in writing an increase or decrease of twenty-five percent (25%) to the rates described in paragraph A above. Such rate change shall be published in a local daily newspaper. Such rate change shall apply to the general public [and shall not be available to a particular group or individual]. The city manager may also occasionally authorize special, short-term promotional rates.
- D. Gross receipts tax shall be paid on all greens fees set forth in paragraphs A through C above. The sum of the rate and gross receipts tax shall be rounded to the next highest quarter.
- E. Juniors under the age of eighteen (18) and associated with a high school golf team or a golf program [will be allowed to hit] may each hit two (2) large buckets of range balls [each,] after 3:30 p.m., free of charge while participating in a scheduled season.
- F. Once each fiscal year, the city may sponsor a benefit tournament to support children and youth recreation programs at the genoveva chavez community center and the MRC. [The applicable tournament rates will not be paid from the] Tournament revenues[, but] will be incorporated into the annual MRC rate analysis and proposed rate structure to cover the tournament fees that would have been applicable.

PASSED, APPROVED, and ADOPTED this ____ day of _____, 2020.

1	APPROVED AS TO FORM:
2	P. Mar
3	Bri Mery
4	ERIN K. McSHERRY, CITY ATTORNEY
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Legislation/2020/Bills/Golf Course Rate Change

														Revenue Projections		
		NIVI							2018							
	NM	Resident			Out of State				Rounds/Individual	2019		2018/19				
	Resident	Proposed	Increase		Current	Proposed	Increase		Sales 6/1 thru	•	3% increase			same amount of rounds		
Fee Type	Current Fee	Fee	Amount	Increase %	Rate	Rate	Amount	%	12/31	vidual Sales						rounds in 2020
18 hole walking	\$30.00	\$32.00	\$2.00	6.67	\$35.00	\$40.00	\$5.00	14.29	91	76	78	84	\$2,077.00	\$3,040.00	\$3,120.00	
18 hole with cart	\$48.00	\$50.00	\$2.00	4.17	\$53.00	\$55.00		3.77	1080			1157	\$29,935.00	\$34,524.00	\$35,560.00	\$33,516.00
18 hole senior walking	\$25.00	\$27.00	\$2.00	8.00	\$28.00	\$30.00	\$2.00	7.14	3078		5998	3846	\$138,420.90	\$147,648.96	\$191,936.00	\$113,568.00
18 hole senior with cart	\$36.00	\$38.00	\$2.00	5.56	\$42.00	\$44.00	\$2.00	4.76	1650		2695	1861	\$47,678.31	\$51,824.25	\$67,375.00	\$39,875.00
9 hole walking	\$23.00	\$25.00	\$2.00	8.70	\$28.00	\$30.00	\$2.00	7.14	10793	15382	15844	13088	\$276,879.06	\$307,643.40	\$316,880.00	\$298,680.00
9 hole with cart	\$34.00	\$37.00	\$3.00	8.82	\$40.00	\$42.00		5.00	5461	6911	7118	6186	\$124,394.94	\$138,216.60	\$142,360.00	\$134,200.00
9 hole senior walking	\$20.00	\$22.00	\$2.00	10.00	\$25.00	\$27.00	\$2.00	8.00	11027	14130	18369	12579	\$184,945.76	\$213,221.70	\$277,188.21	\$164,013.21
9 hole senior with cart	\$28.00	\$30.00	\$2.00	7.14	\$32.00	\$34.00	\$2.00	6.25	8227	10835	14086	9531	\$108,607.50	\$119,401.70	\$155,227.72	\$91,851.70
G-28 walking	\$16.00	\$17.00	\$1.00	6.25	\$22.00	\$23.00	\$1.00	4.55		1733	1785		\$27,728.00	\$29,461.00	\$30,345.00	\$28,577.00
G-28 senior walking	\$13.00	\$14.00	\$1.00	7.69	\$20.00	\$21.00	\$1.00	5.00		4395	4527		\$57,135.00	\$61,530.00	\$63,378.00	\$59,682.00
18 hole junior walking	\$14.00	\$15.00	\$1.00	7.14	\$14.00	\$15.00	\$1.00	7.14		297	306		\$4,158.00	\$4,455.00	\$4,590.00	\$4,320.00
9 hole junior walking	\$10.00	\$11.00	\$1.00	10.00	\$10.00	\$11.00	\$1.00	10.00		134	147		\$1,340.00	\$1,474.00	\$1,617.00	\$4,598.00
G-28 junior walking	\$9.00	\$10.00	\$1.00	11.11	\$9.00	\$10.00	\$1.00	11.11		95	98		\$855.00	\$980.00	\$980.00	\$920.00
Weekday tournament (Tuesday-Thursday)	\$44.00	\$46.00	\$2.00	4.55	\$44.00	\$46.00	\$2.00	4.55								
Weekend tournament (Friday-Monday)	\$46.00	\$48.00	\$2.00	4.35	\$46.00	\$48.00	\$2.00	4.35								
5 round volume discount	\$135.00	\$150.00	\$15.00	11.11	\$165.00	\$190.00	\$25.00	15.15		9	9.25		\$1,157.13	\$1,350.00	\$1,387.50	\$1,312.50
10 round volume discount	\$250.00	\$280.00	\$30.00	12.00	\$300.00	\$360.00	\$60.00	20.00		2	2.1		\$476.20	\$560.00	\$588.00	\$532.00
20 round volume discount	\$460.00	\$520.00	\$60.00	13.04	\$560.00	\$700.00	\$140.00	25.00		7	7.2		\$3,066.70	\$3,640.00	\$3,744.00	\$3,536.00
30 round volume discount	\$630.00	\$750.00	\$120.00	19.05	\$780.00	\$990.00	\$210.00	26.92		21	22		\$12,600.00	\$15,750.00	\$16,500.00	\$15,000.00
Cart Fee for 18 holes	\$18.00	\$20.00	\$2.00	11.11	\$18.00	\$20.00	\$2.00	11.11		14130	14554		\$184,945.76	\$282,600.00	\$291,080.00	\$274,120.00
Cart Fee for 9 holes	\$11.00	\$12.00	\$1.00	9.09	\$11.00	\$12.00	\$1.00	9.09		10835	11160		\$108,607.50	\$130,020.00	\$133,920.00	\$126,120.00
Total													\$1,315,007.76	\$1,547,340.61	\$1,737,776.43	\$1,397,381.41
Increase/Decrease from 2019														\$232,332.85	\$422,768.67	\$82,373.65
Increase factoring in COVID-19										_	_	_	_	\$116,166.43	\$211,384.34	\$41,186.83

GOLF COURSE	We	ekday rates	Wee	kend rates	C	art fee
Marty Sanchez Links de Santa Fe	Mor	ı - Fri	Sat- S	un		
	\$	30.00	Same	as wkday	\$	18.00
After 2 PM		23.00	Same	as wkday	\$	11.00
(505) 955-4400 ext. 4				•		
Santa Fe Country Club	Tue	s - Thurs	Fri - S	un		
_	\$	31.00	\$	43.00	\$	19.00
After 2 PM		25.00	\$	30.00	\$	10.00
(505)471-2626						
						Includes
						Cart and
Paa-Ko Ridge	\$	200.00		\$200	Ra	nge Balls
After 2 Pl	4	\$95		\$95		
(505)281-6000						
Towa Golf Resort	\$	69.00	\$	69.00		\$18
After 2 Pl		49.00	\$	49.00		
(505)455-9000						
,						
Black Mesa	Mor	ı - Fri	Sat- S	un		
	\$	82.00	\$	87.00		Included
After 2 Pl		52.00	\$	52.00		
(505)747-8946			<u> </u>			
Pueblo de Cochiti	\$	59.00	\$	69.00		Included
After 2 Pl		39.00	\$	49.00		

Los Alamos Golf Course		\$	31.50	\$	34.50	\$	15.00
(505)662-8139							
Taos Country Club		Mon-Thurs		Fri-Sun			
		\$	71.00	\$	82.00	\$	20.00
	After 2 PM	\$	44.00	\$	50.00		
(575) 758-7300							
Arroyo Del Oso		Mon-Thurs		Fri-Sun			
		\$	26.00	\$	32.50	nclude	es Cart
	After 2 PM	\$	21.00	\$	24.50		
(505) 884-7505							

*Seniors- \$18 Tues-Thurs: \$44.00 Fri-Mon: \$46.00 *Seniors-no rate Mon-Sun:65.00 *Seniors -no rate Rates apply Mon-Thurs only
*Seniors -no rate Fri-Mon: \$46.00 *Seniors-no rate Mon-Sun:65.00 *Seniors -no rate
*Seniors -no rate Fri-Mon: \$46.00 *Seniors-no rate Mon-Sun:65.00 *Seniors -no rate
*Seniors -no rate
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*Seniors -no rate
Rates apply Mon-Thurs only
Rates apply Mon-Thurs only
*Seniors-\$55 only Sun-Thur
Rates Vary-\$75-95
*Seniors-\$10 Less Monday-Thursday \$59
Friday-Sun \$69
*Seniors-(M-Th) \$47
*Seniors- (F-Sun) \$57 Less Mon-Thur: \$55-\$72
Fri-Sun: \$60-\$120

*Seniors-(M-Th) \$3 Less	
*Seniors-no rate	
*Seniors weekdays \$19	
Senior weekends \$32.50	

Туре	NM Resident Rate	FY20/21 NM Resident proposed rate	Out of State Rate	FY20/21 Out of State proposed rate
18 hole walking	\$30.00	\$32.00	\$35.00	\$40.00
18 hole with cart	\$48.00	\$50.00	\$53.00	\$55.00
18 hole senior walking	\$25.00	\$27.00	\$28.00	\$30.00
18 hole senior with cart	\$36.00	\$38.00	\$42.00	\$44.00
9 hole walking	\$23.00	\$25.00	\$28.00	\$30.00
9 hole with cart	\$34.00	\$37.00	\$40.00	\$42.00
9 hole senior walking	\$20.00	\$22.00	\$25.00	\$27.00
9 hole senior with cart	\$28.00	\$30.00	\$32.00	\$34.00
G-28 walking	\$16.00	\$17.00	\$22.00	\$23.00
G-28 with cart	\$27.00	\$28.00	\$32.00	\$33.00
G-28 senior walking	\$13.00	\$14.00	\$20.00	\$21.00
G-28 senior with cart	\$20.00	\$23.00	\$26.00	\$29.00
18 hole junior walking	\$14.00	\$15.00	\$14.00	\$15.00
9 hole junior walking	\$10.00	\$11.00	\$10.00	\$11.00
G-28 junior walking	\$9.00	\$10.00	\$9.00	\$10.00
Weekday tournament (Tuesday-Thursday)	\$44.00	\$46.00	\$44.00	\$46.00
Weekend tournament (Friday-Monday)	\$46.00	\$48.00	\$46.00	\$48.00
5 round volume discount	\$135.00	\$150.00	\$165.00	\$190.00
10 round volume discount	\$250.00	\$280.00	\$300.00	\$360.00
20 round volume discount	\$460.00	\$520.00	\$560.00	\$700.00
30 round volume discount	\$630.00	\$750.00	\$780.00	\$990.00
Cart Fee for 18 holes	\$18.00	\$20.00	\$18.00	\$20.00

Cart Fee for 9 holes	\$11.00	\$12.00	\$11.00	\$12.00

FISCAL IMPACT REPORT

General Information:
(Check) Bill: X Resolution:
Short Title(s): AN ORDINANCE AMENDING SECTION 23.7.4 RELATING TO GOLF RATES AT THE MRC TO INCREASE GREENS FEES AND GOLF CART FEES
Sponsor(s): Councilor Lindell and Vigil Coppler
Reviewing Department(s): Parks & Recreation Department_
Staff Completing FIR: Jennifer Romero Date: 07/17/20 Phone: 955-4465 Reviewed by City Attorney: Date: 7/31/2020
Reviewed by City Attorney:Date:Date:
Reviewed by Finance Director:Date:
Summary: This Bill is intended to increase greens fee and golf cart rates offered at the Marty Sanchez Links de Santa Fe golf course. The proposed rates are comparable to the rates charged at other golf courses in the area. Departments Affected By: Parks & Recreation
Consequences of Not Enacting Legislation: If the City does not implement a rate increase, it will continue to see a decline in revenue.
Conflict, Duplication, Companionship, or Relationship to Other Legislation: None identified.
Performance and Administrative Implications: Implementing a rate increase will generate revenue for the facility which has been diminished as a result of COVID-19. It will also provide revenues for investment in effluent water infrastructure.
Fiscal Implications: Please refer to attached "2020 Rate Increase Spreadsheet".

Check here if no fiscal impact		

Expenditures

Expenditure Type	FYE	FYE	FYE	Require BAR (Y/N)	Recurring (R) or Non- recurring (NR)	Fund	3-Year Total Cost
Personnel and	\$	\$	\$		<u> </u>		
Benefits*							
Capital Outlay	\$	\$	\$				
Contractual/	\$	\$	\$				
Professional Services							
<u>Operating</u>	\$	\$	\$				\$
<u>Total:</u>	\$	\$	\$				\$

^{*} This includes all staff time associated with executing the job functions of the proposed legislation.

Expenditure Narrative:

Revenue

Revenue Type	FYE 20-21	FYE 21-22	FYE 22-23	Recurring (R) or Non-recurring (NR)	Fund
General Fund	\$	<u>\$</u>	\$		
Special Revenue	\$	\$	<u>\$</u>		
CIP	\$	\$	\$		
Enterprise	<u>\$116,166</u>	<u>\$211,384</u>	\$	<u>R</u>	530
Internal Service	\$	\$	\$		
Trust and Agency	\$	\$	\$		
Federal	\$	\$	\$		
Other	<u>\$</u>	\$	\$		
Total	\$	\$	\$		

Revenue Narrative:

The proposed rate restructuring is consistent with rates offered by other, nearby golf courses and will allow MSL to increase its revenue by approximately 102,582 per year, with a projected increase of 3% from 2019 actual revenue received in fee types outlined in Exhibit "A"

Golf Course Rate Change (For Signature)

Final Audit Report 2020-07-3⁻²

Created: 2020-07-31

By: Jeff Norris (jtnorris@ci.santa-fe.nm.us)

Status: Signed

Transaction ID: CBJCHBCAABAA1hA-jlLqpw5HMojgSMHQ2mgGpRxrkWVm

"Golf Course Rate Change (For Signature)" History

Document created by Jeff Norris (jtnorris@ci.santa-fe.nm.us)

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Document e-signed by Erin McSherry (ekmcsherry@santafenm.gov)

Signature Date: 2020-07-31 - 5:34:54 PM GMT - Time Source: server- IP address: 174.62.11.171

Signed document emailed to Jeff Norris (jtnorris@ci.santa-fe.nm.us), jbguillen@santafenm.gov and Erin McSherry (ekmcsherry@santafenm.gov)

2020-07-31 - 5:34:54 PM GMT